

COUNTY OF AMADOR
SINGLE AUDIT REPORT
JUNE 30, 2008

SAR
4/7/09

COUNTY OF AMADOR

Single Audit Report For the Year Ended June 30, 2008

Table of Contents

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	3-5
Schedule of Expenditures of Federal Awards.....	6-9
Notes to Schedule of Expenditures of Federal Awards	10-11
Schedule of Findings and Questioned Costs.....	12-19
Summary Schedule of Prior Audit Findings.....	20
Office of Emergency Services and Department of Corrections and Rehabilitation Supplementary Schedules.....	21-22



GALLINA_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Supervisors
County of Amador
Jackson, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Amador, as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated March 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Amador's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Amador's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Amador's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statement is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Board of Supervisors
County of Amador

Internal Control Over Financial Reporting (continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Amador's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the County of Amador in a separate letter dated March 20, 2009.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Gallina LLP

Roseville, California
March 20, 2009



GALLINA_{LLP}

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Supervisors
County of Amador
Jackson, California

Compliance

We have audited the compliance of the County of Amador, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County of Amador's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Amador's management. Our responsibility is to express an opinion on the County of Amador's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Amador's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Amador's compliance with those requirements.

In our opinion, the County of Amador complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08-SA-1, 08-SA-2 and 08-SA-3.

Board of Supervisors
County of Amador

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the County's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompany schedule of findings and questions costs as items 08-SA-1, 08-SA-2 and 08-SA-3 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questions costs, we consider items 08-SA-1, 08-SA-2 and 08-SA-3 to be material weaknesses.

Board of Supervisors
County of Amador

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2008, and have issued our report thereon dated March 20, 2009. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Office of Emergency Services and Department of Corrections and Rehabilitation Supplementary Schedules, beginning on page 21, have not been subjected to auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

The County of Amador's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County of Amador's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the audit committee, management, Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be an should not be used by anyone other than these specified parties.



Roseville, California
March 20, 2009

COUNTY OF AMADOR

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through State Department of Social Services:			
Food Stamps	10.551	--	\$ 1,887,699
State Administrative Matching Grants for Food Stamp Program	10.561	--	330,125
Subtotal			<u>2,217,824</u>
Passed through State Controller's Office:			
Schools and Roads - Grants to States	10.665 *	--	279,135
Schools and Roads - Grants to Counties (Title III)	10.666 *	--	98,518
Subtotal			<u>377,653</u>
Total U.S. Department of Agriculture			<u>\$ 2,595,477</u>
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/States	14.228	05-STBG-1224	159,138
HOME Investments Partnership Program	14.239 *	06-HOME-2344	557,383
Total U.S. Department of Housing and Urban Development			<u>\$ 716,521</u>
<u>U.S. Department of the Interior</u>			
Direct Program:			
Payments in Lieu of Taxes	15.226	--	17,383
Total U.S. Department of the Interior			<u>\$ 17,383</u>
<u>U.S. Department of Justice</u>			
Direct Programs:			
State Criminal Alien Assistance Program	16.606	--	12,011
Bullet Proof Vest Program	16.607	--	9,918
Subtotal Direct			<u>21,929</u>
Passed through State Office of Emergency Services:			
Anti Drug Abuse	16.738	DC07180030	119,039
Anti Drug Abuse	16.738	DC06170030	113,404
Victim/Witness Assistance	16.575	VW07220080	43,189
Subtotal			<u>275,632</u>

* Major Program

COUNTY OF AMADOR

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Justice</u>			
Passed through State Department of Corrections and Rehabilitation:			
Building Change	16.540	CSA 301-06	\$ 38,418
Total U.S. Department of Justice			\$ 335,979
<u>U.S. Department of Transportation</u>			
Passed through State Department of Transportation:			
Highway Planning and Construction	20.205 *	BRLO 526031	24,014
Highway Planning and Construction	20.205 *	BRLO 5926008	1,545,389
Highway Planning and Construction	20.205 *	BPMP 5926034	2,209
Highway Planning and Construction	20.205 *	BRLS 5926035	25,720
Highway Planning and Construction	20.205 *	CML 5926037	145,735
Total U.S. Department of Transportation			\$ 1,743,067
<u>U.S. Department of Education</u>			
Passed through State Department of Education:			
Mental Health AB3632 Services	84.027	07-14468-1003-01	119,129
Total U.S. Department of Education			\$ 119,129
<u>U.S. Election Assistance Commission</u>			
Passed through Secretary of State:			
Help America Vote Act Requirements Payments	90.401	07G26101	1,193
Help America Vote Act Requirements Payments	90.401	07G30101	1,555
Total U.S. Election Assistance Commission			\$ 2,748
<u>U.S. Department of Health and Human Services</u>			
Passed through State Department of Social Services:			
Promoting Safe and Stable Families	93.556	--	18,600
Temporary Assistance for Needy Families	93.558 *	--	1,997,351
Child Welfare Services - State Grants	93.645	--	12,713
Foster Care – Title IV-E	93.658 *	--	592,796

COUNTY OF AMADOR

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Health and Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
Adoption Assistance Program	93.659	--	\$ 208,739
In-Home Supportive Services	93.667	--	23,621
Independent Living	93.674	--	22,359
Subtotal			<u>2,876,179</u>
In-Home Supportive Services (Public Authority)	93.667	--	141,372
Subtotal			<u>3,017,551</u>
Passed through State Department of Health Services:			
Medical Assistance Program - Social Services	93.778	--	497,466
Hospital Preparedness Program - Base	93.889	--	146,264
Hospital Preparedness Program - Pandemic Influenza	93.889	--	28,393
Center For Disease Control and Prevention	93.283	--	126,596
Centers For Disease Control: Pandemic Influenza	93.283	--	13,072
Subtotal			<u>811,791</u>
Passed through State Department of Mental Health:			
Substance Abuse and Mental Health Services Administration			
Administration Programs:			
SAMHSA: Block Grant	93.958	--	<u>39,991</u>
Passed through State Department of Alcohol and Drug			
Programs:			
Block Grants for Prevention and Treatment of			
Substance Abuse (SAPT)	93.959 *	NNA 28	<u>412,159</u>
Total U.S. Department of Health and Human Services			<u>\$ 4,281,492</u>
<u>U.S. Department of Homeland Security</u>			
Passed through Office of Emergency Services:			
Homeland Security Grant Program	97.042	FY07 EMPG 2007-6	54,305
Homeland Security Grant Program	97.073	FY06 HSG	51,674
Homeland Security Grant Program	97.073	FY07 HSG 2007-0008	63,153
Homeland Security Grant Program	97.074	FY06 LETPP	53,478
Homeland Security Grant Program	97.074	FY07 LETPP 2007-0008	57,528

COUNTY OF AMADOR

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Disbursements/ Expenditures</u>
<u>U.S. Department of Homeland Security (continued)</u>			
Passed through Office of Emergency Services (continued):			
Public Assistance Grants	97.036	FEMA-1628-DR-CA OES ID#005-00000	\$ 615,285
Public Assistance Grants	97.036	FEMA-1646-DR-CA OES ID#005-00000	206,600
Subtotal			<u>1,102,023</u>
Total U.S. Department of Homeland Security			<u>\$ 1,102,023</u>
Total Expenditures of Federal Awards Excluding Loans			<u>\$ 10,913,819</u>
<u>Federal Loan Balances With a Continuing Compliance Requirement</u>			
<u>U.S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grants/States	14.228	05-STBG-1224	\$ 200,000
HOME Investment Partnerships Program	14.239 *	06-HOME-2344	<u>758,398</u>
Federal Loan Balances with a Continuing Compliance Requirement			<u>\$ 958,398</u>
Total Expenditures of Federal Awards Including Loans			<u><u>\$ 11,872,217</u></u>

COUNTY OF AMADOR

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Note 1: **General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Amador. The County of Amador's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Pass-Through Entities' Identifying Number**

When federal awards were received from a pass-through entity; the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

Note 5: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Amount Provided to Subrecipients</u>
14.228	Community Development Block Grant	\$ 145,000
14.239	HOME Investment Partnership Program	40,878

COUNTY OF AMADOR

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2008

Note 6: Program Clusters

Federal programs, which must be audited together as a program cluster, include the following:

<u>Federal CFDA</u>	<u>Program Title</u>	<u>Federal Expenditures</u>
<u>Food Stamp Cluster:</u>		
10.551	Food Stamps	\$ 1,887,699
10.561	State Administrative Matching Grants for Food Stamp Program	<u>330,125</u>
	TOTAL	<u>\$ 2,217,824</u>
<u>Schools and Roads Cluster</u>		
10.665	Schools and Roads – Grants to States	\$ 279,135
10.666	Schools and Roads – Grants to Counties (Title III)	<u>98,518</u>
	TOTAL	<u>\$ 377,653</u>
<u>Homeland Security Cluster:</u>		
97.073	Homeland Security Grant Program FY06 HSG	\$ 51,674
97.073	Homeland Security Grant Program FY07 HSG 2007-0008	63,153
97.074	Homeland Security Grant Program FY06 LETPP	53,478
97.074	Homeland Security Grant Program FY07 LETPP 2007-0008	<u>57,528</u>
	TOTAL	<u>\$ 225,833</u>

COUNTY OF AMADOR

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed that are required to be reported in accordance with Circular OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

10.665	Schools and Roads – Grants to States
10.666	Schools and Roads – Grants to Counties
14.239	HOME Investments Partnership Program
20.205	Highway Planning and Construction
93.558	Temporary Assistance for Needy Families
93.658	Foster Care – Title IV-E
93.959	Block Grants for Prevention and Treatment of Substance Abuse (SAPT)

COUNTY OF AMADOR

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

Section 1 (continued)

Federal Awards (continued)

- | | |
|---|------------|
| 5. Dollar threshold used to distinguish between Type A and Type B programs? | \$ 356,167 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

Section 2

Financial Statement Findings

None Reported

Section 3

Federal Award Findings and Questioned Costs

CFDA 14.239	Finding 08-SA-1
CFDA 93.558 & 93.658	Finding 08-SA-2
CFDA 93.558	Finding 08-SA-3

COUNTY OF AMADOR

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 08-SA-1	<i>Federal Grantor: U.S. Department of Housing and Urban Development</i>
HOME	<i>Pass-Through Entity: State Department of Housing and Community Development</i>
Investment	<i>Compliance Requirement: Reporting; Program Income</i>
Partnerships	<i>Reporting Requirement: Material Weakness; Material</i>
Program	<i>Non-Compliance in Relation to a Compliance</i>
CFDA 14.239	<i>Supplement Audit Objective</i>

Award No.
06-HOME-2344
Year: 2007/2008

Criteria

According to the Statement on Auditing Standard No.112, Communicating Internal Control Related Matters Identified in an Audit, SAS 112 applies to the Department's fiscal audit. The standard provides guidance in that if an entity is unable to draft its own financial statements or detect and correct errors in statements compiled by others, there may be a material weakness or significant deficiency. External auditors cannot be part of the Department's internal controls, including controls over the preparation of the financial statements and are prohibited from auditing their own work as doing so impairs their independence. The Schedule of Expenditures of Federal Awards (SEFA), while not a part of the basic financial statements, is audited in relation to the basic financial statements, in accordance with the requirements of OMB Circular A-133.

OMB A-133 § 105 states "Federal financial assistance means assistance that non-Federal entities receive or administer in the form of . . . loans. . ."

OMB A-133 § 205 states that the basis for determining Federal awards expended for loan programs is as follows:

- "(1) Value of new loans made or received during the fiscal year; plus
- (2) *Balance of loans from previous years for which the Federal Government imposes continuing compliance requirements; plus*
- (3) Any interest subsidy, cash, or administrative cost allowance received." (emphasis added.)

Further, good internal controls over program income would require that loans receivables be properly established and that payments, new loans and properly-authorized write-offs be posted to this loan receivable.

COUNTY OF AMADOR

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 08-SA-1 (continued)	<u>Condition</u> During our audit we observed that neither the County nor the Central Sierra Planning Council were maintaining a receivable balance for the loans under the HOME program. We are informed by HUD that HOME program loans have a " <i>continuing compliance requirement</i> ." Therefore, this balance must be included in determining total federal expenditures.
CFDA 14.239	<u>Questioned Costs</u> No costs are questioned. No monetary amount is involved. <u>Perspective</u> We do not believe any further information would provide proper perspective. <u>Effect of Condition</u> Not being able to properly identify all federal expenditures and outstanding loan balances with a continuing compliance requirement could cause a material misstatement on the Schedule of Expenditures of Federal Awards. This could lead to action by federal and state grantor agencies and may result in additional audit costs if the misstated information leads to changes in audit requirements. As well, not tracking the receivables balance could cause program income to be more vulnerable to misappropriation. <u>Recommendation</u> We recommend that the Department establish a loans receivable balance for the HOME program and that the Department post new loans, payments and properly-authorized write-offs to this receivable balance. <u>Corrective Action Plan</u> The Central Sierra Planning Council maintains a notes receivable spreadsheet for the loans made under the County's CDBG and HOME programs. This information (loan date, loan amount, and borrower's name) will be provided to the County Auditor to book the receivables.

COUNTY OF AMADOR

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 08-SA-1 (continued) CFDA 14.239	<u>Corrective Action Plan</u> (continued) These procedures will be implemented immediately. The contact person for this corrective action plan is Larry Busby. His telephone number is (209) 532-8768.
Finding 08-SA-2 Temporary Assistance for Needy Families CFDA 93.558 And Foster Care – Title IV-E CFDA 93.658 Award No. N/A Year: 2007-2008	<i>Federal Grantor: U.S. Department of Health and Human Services</i> <i>Pass-Through Entity: State Department of Social Services</i> <i>Compliance Requirement: Procurement, Suspension and Debarment</i> <i>Reporting Requirement: Material Weakness and Material Non-Compliance in Relation to a Compliance Requirement</i> <u>Criteria</u> When engaging in any federally-funded transaction which equals or exceeds \$25,000 with a vendor or a transaction in any amount with a subrecipient, the non-federal entity is obligated to determine if the other party is suspended or debarred. As well, the debarment rules provide that this requirement must be imposed on, and relevant information must be provided to, all subrecipients of federal funds. OMB A-133 Compliance Supplement, Part 3, §I – Procurement, Suspension and Debarment. Also see Federal Register 68FR66583–66632. <u>Condition</u> We tested transactions where a vendor or service provider was paid in excess of \$25,000 during the fiscal year or a subrecipient was paid any amount. We learned that suspension and debarment was not checked for the transactions tested. However, we do note that the County checked for suspension and debarment by the end of the day when the audit occurred and determined that no transaction tested was with a suspended or debarred entity or person. <u>Questioned Costs</u> No costs are questioned. As mentioned above, the epls.gov website was checked and no vendor in the sample was suspended or debarred.

COUNTY OF AMADOR

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

Finding/Program

Findings/Noncompliance

Finding 08-SA-2 (continued)

CFDA 93.558 and
93.658

Perspective

We do not believe any further information would provide proper perspective.

Effect of the Condition

The federal government can reject a claim for federal funds reimbursement when the transaction is with a suspended or debarred individual or entity.

Recommendation

We recommend that the Department implement procedures to ensure that suspension and debarment are checked for any federally-funded transaction, which equals or exceeds \$25,000 or for any amount with a subrecipient. A list of suspended and debarred parties is available online from the Excluded Parties List System at <<http://www.epls.gov>>.

Corrective Action Plan

The Department of Social Services will check debarment, using the referenced website (<http://www.epls.gov>), at the time of contract negotiations for all contracts. Contracts for multiple years will be checked for debarment annually, at the time of annual contract negotiations. If a contract does not exist then the above referenced website will be used when the amount of payment exceeds \$25,000 for the year. This procedure to start immediately.

The contact person for this corrective action plan is Joan Meis Wilson. Her telephone number is (209) 223-6605.

COUNTY OF AMADOR

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

Finding/Program

Findings/Noncompliance

Finding 08-SA-3

Temporary
Assistance for
Needy Families
CFDA 93.558

Award No. N/A
Year: 2007-2008

Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Entity: State Department of Social Services
Compliance Requirement: Eligibility.
Reporting Requirement: Material Weakness; Material Noncompliance In Relation to a Compliance Supplement Audit Objective

Criteria

As required by Section 1137 of the Social Security Act, income and benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility or level of assistance. Internal controls require that eligibility worker sign the IEVS forms when the IEVS is reviewed. If an electronic IEVS is reviewed on line, internal controls require that the eligibility worker record the fact that the IEVS has been reviewed.

Condition

We tested twenty-four cases from the Temporary Assistance for Needy Families (TANF) program and noted that two cases did not contain a current IEVS for any member of the family. As well, for one case, the IEVS was present in the file for all members of the family, however, it was not signed by the eligibility worker indicating that the information had been reviewed and used in determining eligibility.

Questioned Costs

No costs are questioned. The program participant's eligibility was proven by later provided documents.

Perspective

The error rate for outdated IEVS is 8.3%. The error rate for IEVS which were unsigned is 4.2%

COUNTY OF AMADOR

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2008

Finding/Program

Findings/Noncompliance

Finding 08-SA-3 (continued)

CFDA 93.558

Effect of Condition

The IEVS system is an elaborate, federally-mandated system which compiles government information for the purpose of tracking federal program eligibility data. Not requesting and using IEVS in eligibility determinations might result in individuals receiving benefits to which they are not entitled.

Recommendation

We recommend that the Department review this omission to request, review, and compare the IEVS to information in this case record. We recommend that the Department attempt to determine why the current system of controls failed to prevent these exceptions and that the Department establish and communicate a policy designed to ensure that IEVS information is reviewed and that this review is documented in the case file.

Corrective Action Plan

Effective immediately following the audit, we conducted an IEVS refresher training at our Eligibility staff meeting. Case Authorizers received additional training to ensure that they complete thorough review of IEVS processing.

IEVS is included in our review checklist.

We routinely request IEVS on all applications at screening and on all redeterminations. Due to your findings, we will emphasize IEVS processing quarterly at staff meetings over the next year.

The contact person for this corrective action plan is Kim Crippen. Her telephone number is (209) 223-6550.

COUNTY OF AMADOR

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2008

Audit Reference
Number

Status of Prior Year Audit Findings

Finding 07-SA-1

Block Grants For
Prevention and
Treatment of
Substance Abuse
(SAPT)
CFDA 93.959

Award No. N/A
Year: 06/07

Recommendation

We recommend that all time studies be reviewed and signed by both the employee and a supervisor in all cases to ensure that time is correctly charged to the grant and its functions.

Status

Corrected.

SUPPLEMENTARY SCHEDULES

COUNTY OF AMADOR

Supplementary Schedules of Office of Emergency Services and Department of Corrections and Rehabilitation Grant Expenditures For the Year Ended June 30, 2008

California Office of Emergency Services

The following represents expenditures for Office of Emergency Services, Law Enforcement/Victim Services Division (OES) programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Ended June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<u>VW07220080 - Victim/Witness Assistance</u>						
Personal services	\$ --	\$ 76,819	\$ 76,819	\$ 43,189	\$ 33,630	\$ --
Operating expenses	--	24,527	24,527	--	24,527	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 101,346</u>	<u>\$ 101,346</u>	<u>\$ 43,189</u>	<u>\$ 58,157</u>	<u>\$ --</u>
<u>VB07050030 - Vertical Prosecution Program</u>						
Personal services	\$ --	\$ 84,208	\$ 84,208	\$ --	\$ 84,208	\$ --
Operating expenses	--	18,512	18,512	--	18,512	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 102,720</u>	<u>\$ 102,720</u>	<u>\$ --</u>	<u>\$ 102,720</u>	<u>\$ --</u>
<u>DC07180030 - Anti-Drug Abuse</u>						
Personal services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating expenses	--	119,894	119,894	119,039	--	855
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 119,894</u>	<u>\$ 119,894</u>	<u>\$ 119,039</u>	<u>\$ --</u>	<u>\$ 855</u>
<u>DC06170030 Anti-Drug Abuse</u>						
Personal services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating expenses	--	--	--	--	--	--
Equipment	--	113,858	113,858	113,404	--	454
Totals	<u>\$ --</u>	<u>\$ 113,858</u>	<u>\$ 113,858</u>	<u>\$ 113,404</u>	<u>\$ --</u>	<u>\$ 454</u>
<u>MH-0610030 Cal-Met</u>						
Personal services	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Operating expenses	--	96,818	96,818	--	96,818	--
Equipment	--	155,317	155,317	--	155,317	--
Totals	<u>\$ --</u>	<u>\$ 252,135</u>	<u>\$ 252,135</u>	<u>\$ --</u>	<u>\$ 252,135</u>	<u>\$ --</u>

COUNTY OF AMADOR

Supplementary Schedules of Office of Emergency Services and Department of Corrections and Rehabilitation Grant Expenditures For the Year Ended June 30, 2008

California Office of Emergency Services (continued)

MH-07020030 Cal-Met

Personal services	\$	--	\$	--	\$	--	\$	--	\$	--	\$	--
Operating expenses		--		47,059		47,059		--		47,059		--
Equipment		--		--		--		--		--		--
Totals	\$	--	\$	47,059	\$	47,059	\$	--	\$	47,059	\$	--

California Department of Corrections and Rehabilitation

The following represents expenditures for the California Department of Corrections and Rehabilitation, Corrections Standards Authority programs for the year ended June 30, 2008. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through June 30, 2007	For the Year Ended June 30, 2008	Cumulative As of June 30, 2008	Federal Share	State Share	County Share
<u>CSA#301-06 - Building Change</u>						
Personal services	\$	--	\$	--	\$	--
Operating expenses		--		35,236		--
Equipment		--		3,182		--
Totals	\$	--	\$	38,418	\$	--